

Feb 05 2025

Mark B. Busby
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CRIMINAL COVER SHEET

Instructions: Effective November 1, 2016, this Criminal Cover Sheet must be completed and submitted, along with the Defendant Information Form, for each new criminal case.

CASE NAME:

USA v. MICHAEL M. GILBERT

CASE NUMBER: CR25-00031 MMC

CR

Is This Case Under Seal?

Yes No

Total Number of Defendants:

1 2-7 8 or more

Does this case involve ONLY charges under 8 U.S.C. § 1325 and/or 1326?

Yes No

Venue (Per Crim. L.R. 18-1):

SF OAK SJ

Is this a potential high-cost case?

Yes No

Is any defendant charged with a death-penalty-eligible crime?

Yes No

Is this a RICO Act gang case?

Yes No

Assigned AUSA (Lead Attorney): Kelsey Davidson

Date Submitted: February 5, 2025

Comments:

United States District Court
FOR THE
NORTHERN DISTRICT OF CALIFORNIA
VENUE: SAN FRANCISCO

UNITED STATES OF AMERICA,
v.

Michael M. Gilbert

FILED

Feb 05 2025

Mark B. Busby
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO

DEFENDANT(S).

INDICTMENT

26 U.S.C. § 7206(1) – Making and Subscribing a False Tax Return

A true bill.

/S/ Foreperson of the Grand Jury

Foreman

Filed in open court this 5th day of

February, 2025



Clara Farling
Clerk

 Bail, \$ Summons

Hon. Laurel Beeler, U.S. Magistrate Judge

FILED

Feb 05 2025

Mark B. Busby

CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO

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Attorneys for the United States of America

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

INDICTMENT

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. MICHAEL M. GILBERT (“GILBERT”) lived in the Northern District of California and was a

Certified Public Accountant (CPA) licensed to practice in the State of California since May 1985.

INDICTMENT

2. GILBERT owned and operated several businesses including M.M. Gilbert & Company, Inc. ("M.M. Gilbert") and Gilbert & Company, Inc. Through these businesses, GILBERT provided CPA services including tax preparation and advice, and received payment for those services.

3. GILBERT controlled and operated a Nevada corporation, White Mountain Properties, Inc. (“White Mountain”). GILBERT solicited clients of his CPA services to make payments to White Mountain. GILBERT told these clients that their payments would be for “donations,” “tax strategies,” “positional arrangements,” “structured arrangements,” “tax structuring,” “consuming,” or “asset acquisition,” among other things. These payments to White Mountain were gross receipts reportable on its tax returns.

4. In or about September 2020, GILBERT used his authority as the sole owner of and signer on White Mountain's bank account to transfer to himself approximately \$2,440,136. In or about October 2021, GILBERT used that same authority to transfer approximately \$3,005,000 from White Mountain's investment account to himself. These transfers to GILBERT constituted income reportable on his individual income tax returns.

5. The Internal Revenue Service (“IRS”) was an agency of the U.S. Department of Treasury responsible for enforcing the tax laws of the United States and collecting taxes owed to the U.S. Department of Treasury.

6. GILBERT prepared and filed with the IRS annual Forms 1120, U.S. Corporation Income Tax Return, for M.M. Gilbert and White Mountain. Forms 1120 were used by domestic corporations to report their income, gains, losses, deductions, credits, and any tax due.

7. GILBERT prepared and filed with the IRS annual Forms 1040, U.S. Individual Income Tax Return. Forms 1040 were used by individuals to report their income, gains, losses, deductions, credits, and any tax due.

COUNTS ONE THROUGH FOUR

Making and Subscribing a False Tax Return (Title 26, United States Code, Section 7206(1))

8. The allegations set forth in paragraphs 1 through 7 of this Indictment are re-alleged and

1 incorporated as if set forth fully herein.

2 9. On or about the dates set forth below, in the Northern District of California, the defendant,

3 MICHAEL M. GILBERT,

4 willfully made and subscribed and filed and caused to be filed Forms 1120, U.S. Corporation Income
 5 Tax Returns, for M.M. Gilbert & Company, Inc., for the calendar years set forth below, which were
 6 verified by written declarations that the tax returns were made under the penalties of perjury and which
 7 GILBERT did not believe to be true and correct as to every material matter. The Forms 1120 for M.M.
 8 Gilbert & Company, Inc. reported gross receipts in the amounts set forth below, whereas GILBERT
 9 knew and believed that M.M. Gilbert & Company, Inc. had more reportable gross receipts:

Count	Filing Date	Tax Year	False Item
1	September 17, 2018	2017	Line 1a, Gross receipts or sales – \$297,961
2	September 17, 2019	2018	Line 1a, Gross receipts or sales – \$286,164
3	September 18, 2020	2019	Line 1a, Gross receipts or sales – \$311,937
4	September 14, 2021	2020	Line 1a, Gross receipts or sales – \$327,413

16 In violation of Title 26, United States Code, Section 7206(1).

17 COUNTS FIVE THROUGH NINE

18 Making and Subscribing a False Tax Return
 19 (Title 26, United States Code, Section 7206(1))

20 10. The allegations set forth in paragraphs 1 through 7 of this Indictment are re-alleged and
 21 incorporated as if set forth fully herein.

22 11. On or about the dates set forth below, in the Northern District of California, the defendant,

23 MICHAEL M. GILBERT,

24 willfully made and subscribed and filed and caused to be filed Forms 1120, U.S. Corporation Income
 25 Tax Returns, for White Mountain Properties, Inc. for the calendar years set forth below, which were
 26 verified by written declarations that the tax returns were made under the penalties of perjury and which
 27 GILBERT did not believe to be true and correct as to every material matter. The Forms 1120 for White
 28

1 Mountain Properties, Inc. reported gross receipts in the amounts set forth below, whereas GILBERT
 2 knew and believed that White Mountain Properties, Inc. had more reportable gross receipts:

Count	Filing Date	Tax Year	False Item
5	September 17, 2018	2017	Line 1a, Gross receipts or sales – \$105,621
6	September 17, 2019	2018	Line 1a, Gross receipts or sales – \$114,846
7	September 14, 2020	2019	Line 1a, Gross receipts or sales – \$127,819
8	September 14, 2021	2020	Line 1a, Gross receipts or sales – \$135,927
9	September 12, 2022	2021	Line 1a, Gross receipts or sales – \$100,000

11 In violation of Title 26, United States Code, Section 7206(1).

12 COUNTS TEN THROUGH ELEVEN

13 Making and Subscribing a False Tax Return
 14 (Title 26, United States Code, Section 7206(1))

15 12. The allegations set forth in paragraphs 1 through 7 of this Indictment are re-alleged and
 16 incorporated as if set forth fully herein.

17 13. On or about the dates set forth below in the Northern District of California, the defendant,

18 MICHAEL M. GILBERT,

19 willfully made and subscribed and filed or caused to be filed Forms 1040, U.S. Individual Income Tax
 20 Return, for the calendar years set forth below, which were verified by written declarations that the tax
 21 returns were made under the penalties of perjury and which GILBERT did not believe to be true and
 22 correct as to every material matter. The Forms 1040 reported total income in the amounts set forth
 23 below, whereas GILBERT knew and believed that he had more reportable income.

Count	Filing Date	Year	False Item
10	September 14, 2021	2020	Line 9, Total income – \$156,312
11	September 12, 2022	2021	Line 9, Total income – \$167,552

28 In violation of Title 26, United States Code, Section 7206(1).

1
2 DATED: February 5, 2025

A TRUE BILL.

3
4 /s/
5 FOREPERSON

6 ISMAIL J. RAMSEY
7 United States Attorney

8 */s/ Julia M. Rugg*
9 */s/ Patrick Burns*

10 _____
11 JULIA M. RUGG
12 PATRICK BURNS
13 Trial Attorneys
14 Western Criminal Enforcement Section
15 Department of Justice – Tax Division

16 */s/ Kelsey Davidson*

17 _____
18 KELSEY DAVIDSON
19 Assistant United States Attorney

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: COMPLAINT INFORMATION INDICTMENT SUPERSEDING

OFFENSE CHARGED

26 U.S.C. Section 7202 (Failing to Account for and Pay Over Employment Taxes) (Counts One through Seven)

Petty
 Minor
 Misdemeanor
 Felony

PENALTY: Per count: 5 years' imprisonment; 3 years' supervised release; fine of \$250,000 or twice the gain or loss from the offense; and \$100 mandatory special assessment.

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Internal Revenue Service--Criminal Investigation

 person is awaiting trial in another Federal or State Court, give name of court this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District this is a reprocsecution of charges previously dismissed which were dismissed on motion of: U.S. ATTORNEY DEFENSESHOW DOCKET NO.
 } _____ this prosecution relates to a pending case involving this same defendantMAGISTRATE CASE NO.
 } _____ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on this form ISMAIL J. RAMSEY

 U.S. Attorney Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned)

KELSEY DAVIDSON

PROCESS:

 SUMMONS NO PROCESS* WARRANT

If Summons, complete following:

 Arraignment Initial Appearance

Defendant Address:

74 Partridge Dr, San Rafael CA 94901

Bail Amount: _____

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Date/Time: 2/19/2025 | 10:30 am Before Judge: Hon. Laurel Beeler

Comments:

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

DEFENDANT - U.S.

MICHAEL M. GILBERT

DISTRICT COURT NUMBER

CR25-00031 MMC

DEFENDANT

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

1) If not detained give date any prior summons was served on above charges2) Is a Fugitive3) Is on Bail or Release from (show District)

IS IN CUSTODY

4) On this charge5) On another conviction} Federal State6) Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer Yes
been filed? No} If "Yes"
give date
filed _____DATE OF
ARREST

Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED
TO U.S. CUSTODY

Month/Day/Year

 This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS